

Trade Invest Monthly

Hawaii's International Business Network

State of Hawaii

Department of Business, Economic Development & Tourism

To receive the Trade Invest Monthly by e-mail, please send your request to: tradeinvest@dbedt.hawaii.gov

International Notices

Peter F. Drucker Forum Program

How will corporations thrive in the 21st century?

Regarded as the "Father of Modern Management", Peter F. Drucker will present the Peter F. Drucker Forum in Honolulu in January. He will address issues facing corporate and non-profit organization leaders in an era of business globalization. The presentation will be followed by a panel discussion with a group of distinguished management professors from the Drucker School and Hitotsubashi University.

JAITS and the Peter Drucker School of Management at Claremont Graduate University will co-host the Peter F. Drucker Forum Program as follows:

DATE: January 13, 2000
TIME: 7:30 to 8:30 a.m. – registration and continental breakfast
8:30 to 11:30 a.m. – Forum
PLACE: Halekulani Hotel
COST: \$300 for single participant
\$260 each for two or more from the same company
\$240 each for members of co-sponsoring organizations

The registration deadline is January 4, 2000.

The Forum is co-sponsored by: Chamber of Commerce of Hawaii; Chinese Chamber of Commerce of Hawaii; College of Business Administration, University of Hawaii at Manoa; Hong Kong Business Association of Hawaii; Honolulu Japanese Chamber of Commerce; and the Japan-America Society of Hawaii.

For further details, contact Julie Chen at Tel: (808) 396-7119, or e-mail: jchen@jaits.org

Worldwide Market Reports

Due to the large number of requests for reports, we have made the request process easier to better serve you. Complete the request form at the end of the newsletter and fax it to 587-3388, or send an e-mail message to: tradeinvest@dbedt.hawaii.gov

Korea – Architectural/Engineering Services

Along with the improving Korean economy, the U.S. & Foreign Commercial Service reports that the architectural and engineering services market in Korea has also begun to show signs of recovery. For example, in the first five months of 1999, Korean government construction permits for commercial and industrial purposes exceeded the 1998 level by an average rate of 30%.

The U.S. & Foreign Commercial Service expects that imports of U.S. architectural and engineering services will further increase as public and private sector contractors are demanding high quality services and technologies.

The import market for architectural/engineering services accounts for 40% of the total architectural/engineering market in Korea. U.S. suppliers dominate the local market with a 45% market share, followed by the Japanese and French suppliers.

In 1999, the import market is expected to reach US\$2.35 billion, a 28% increase over 1998.

The report provides the following details:

- ◆ Market profile – corporate restructuring, government projects;
- ◆ Best prospects;
- ◆ Competitive analysis – Third country imports, U.S. market position;
- ◆ End-user analysis; and
- ◆ Market access – import climate, distribution/business practices

For a copy of the report, complete the request form and fax it to (808) 587-3388.

Japan – Dietary Supplements

On March 26, 1996, the Government of Japan's Cabinet made an announcement through the Office of Trade Ombudsman (OTO) to remove restrictions on dietary supplements. Once the restrictions levied by the MWH are liberalized, Japan's market for dietary supplements will quickly expand. The U.S. & Foreign Commercial Service reports that there is a minimum of US\$2.4 billion in potential sales for U.S. dietary suppliers.

However, to date, the U.S. & Foreign Commercial Service in Tokyo reports that the implementation of the OTO ruling has been strongly resisted by the officials of the Ministry of Health and Welfare (MHW), and some pharmaceutical companies as well as some medical doctors. In addition, there are many remaining issues that still need to be settled.

The 1996 ruling proposed to remove restrictions on dietary supplements as follows:

1. Dietary supplements sold and distributed as foods in overseas countries should also be permitted to be done so in Japan not as drugs but as foods;
2. Restriction on shape should be removed;
3. Vitamins should be liberalized in 1996;
4. Herbs should be liberalized in 1997;
5. Minerals should be liberalized in 1998;
6. Functional claims, different from medical claims, for efficacy of supplements should be permitted; and
7. Information on caution and dosage should be de-regulated

The U.S. & Foreign Commercial Service report provides an update on the progress of these proposed changes as well as points out many unsettled issues. Based on the remaining issues, a final conclusion is not expected until March 2000.

The report also provides the following market information:

- ❖ Market overview – market breakdown by sector, market trends;
- ❖ Competition;
- ❖ Distribution channels;
- ❖ Sales prospects; and
- ❖ Market access – import duty

For a copy of the report, complete the request form and fax it to (808) 587-3388.

U.S. Department Agriculture Exporter Guides

With offices in major overseas offices, the U.S. Department of Agriculture's Foreign Agriculture Service (FAS) publishes periodic reports on major markets for U.S. agricultural products based on their field experiences.

Two recent Exporter Guide publications for U.S. agricultural products are on the following markets:

Indonesia (19 pages)

- World's fourth largest populous nation – over 205 million;
- Following economic crisis of 1997, the Indonesian economy has begun a modest recovery;
- Total U.S. agricultural exports to Indonesia should increase by nearly 15% to US\$550 million; and
- U.S. consumer-oriented food products are expected to reach US\$60 million – more than a 100% increase from the prior year.

China (22 pages)

- 1.3 billion consumers;
- Fragmented market structure - scattered markets separated by regional protectionism; and
- Barriers to entry - inadequate distribution system.

Both reports provide the following market information:

1. Market overview – economic situation and consumer spending, U.S. market position;
2. Exporter business tips – food preferences, general import and inspection procedures;
3. Market sector structure and trends – hotel, restaurant and institutional food service sector, food retail, food processing sector, trends in promotional/marketing strategies and tactics;
4. Best high value product prospects; and
5. Key contacts.

For a copy of the report, complete the request form and fax it to (808) 587-3388.

Finland – Tourism Infrastructure Overview

The U.S. & Foreign Commercial Service in Helsinki recently published an overview of the Finnish tourism infrastructure. This information may be useful in locating niche markets in Finland for Hawaii's tourism and resort development services.

In summary, the Finnish tourism infrastructure is well developed and organized. The recent economic upturn has increased private investment in tourism infrastructure. Golf courses, hotel, and resort (including ski resort) developments are the best prospects for U.S. companies.

Along with that economic upturn, people have more money to spend on leisure activities, and they are looking for new ideas and ways to spend their time and money. The Finnish travel industry, like Hawaii's travel industry, is challenged to find new ways to satisfy customers.

The economic upturn has also benefited the time-share and resort hotel development. In the past two years, the sales of time-shares have increased more than 35%.

Finland is also listed among the top 15% countries organizing international conventions, conferences and seminars. They are known for their excellent conference facilities, conference organizing "know-how", and a safe environment. Finland heavily invests in the convention business, and as a result, there has been an increase in the development of new convention facilities and the renovation of old facilities.

Golf is gaining popularity in Finland. There are 95 member-owned golf courses in Finland, but no "pay & play" golf courses. With the increasing popularity of golf, there is an increasing need to build new golf courses. There are 35 new projects planned in the near future. However, the tendency seems to be for domestic or Scandinavian companies managing most of the golf course projects. U.S. companies seem to have a reputation of being too expensive and too far from the project locations.

The report focuses on the following topics:

- ◆ Market highlights – market profile, strategies;
- ◆ Major tourism infrastructure projects – government, quasi-government, private sector;
- ◆ Market access – import climate, financing; and
- ◆ Key contacts.

For a copy of the report, complete the request form and fax it to (808) 587-3388.

Japanese Market Reports

The Japan External Trade Organization (JETRO) has recently released published market reports on: 1) mail order market; and 2) jewelry. An overview of those reports is as follows:

Mail order market (27 page report)

1. Market overview – size, growth prospect, characteristics;
2. Situation of mail order market – advertising media, product categories, operations, profitability, challenges;
3. Consumer profile – items purchased, reasons for shopping by mail order, complaints;
4. Private imports;
5. Internet shopping – market size, market trends;
6. Related laws and regulations; and
7. Market entry – conditions for successful market entry, entry options, case studies.

Jewelry (20 page report)

1. Market overview – market size, sales trend by type, household expenditures on ornamental wear, characteristics of Japanese jewelry demand, trends in jewelry imports;
2. Distribution – channels, distribution of imported products, retail market trends, customary business practices;
3. Import procedures and regulations – tariff rates, laws and regulations at the time of import, laws and regulations at the time of sale; and

4. Market entry – recommendations, foreign-owned company success stories.

For a copy of the reports, complete the request form and fax it to (808) 587-3388.

Canada – Men's/Boy's Apparel

The U.S. & Foreign Commercial Service in Toronto reports that of the five apparel sub-sectors in the Canadian apparel industry, the Men's/Boy's apparel segment, serving a population of 15 million males, continues to outperform the all other sectors. It is expected to lead an overall 2% growth in the total Canadian apparel market through 2000.

The Canadian domestic shipments have lost market share to imports, declining from 55.15% in 1996 to 50.8% in 1998. Imports are projected to account for 51.1% of total Men's/Boy's apparel market in 1999. The U.S. and China continue to be the largest suppliers, followed by Hong Kong, India and South Korea.

The key to successful marketing of apparel in the Canadian market is quality, style, price and service. The Canadian market differs from the U.S. not only in size and price, but also in consumer preferences among regions and provinces. Hawaii suppliers should work closely with their Canadian buyers to best respond to the local preferences.

The overview provides the following background details:

- Statistical data for Men's/Boy's apparel market in Canada;
- Product codes;
- Market demand;
- Best sales prospects;
- Competitive situation – domestic production, import market, U.S. market position and share;
- Market access – financing, permits, tariffs and duties, labeling and advertising regulations;
- Sizing and care information; and
- Key contacts.

For a copy of the reports, complete the request form and fax it to (808) 587-3388.

International Opportunities

HONG KONG; ARCHITECT LOOKING FOR U.S. PARTNERS

Source: LEADIM (US&FCS International Marketing Insights) Frank C.Y. Feng Architects & Associates (HK) Ltd, a Hong Kong architectural and design company, is looking for U.S. partners who are interested in pursuing projects in China. Interested U.S. architects, interior designers and engineers

are encouraged to contact the company for business discussions.

Frank C.Y. Feng was established in 1983 in Hong Kong and now has branch offices in Shanghai, Beijing and Guangzhou, China. It employs 85 with over 50 who are employed in the three China offices. The company is among the first of the few foreign architectural firms who were given design permits to work on China projects ten years ago. Frank C. Y. Feng is particularly active in Shanghai and has won a number of building design awards. Some of the major projects the company is working on include the Grand Gateway, a 420,000 square meters mix-used development with two 225-meter office tower and the Liu Chong Hing Bank Center, a 170 meters office tower. Completed projects include the Holiday Inn Crowne Plaza, Shartex Plaza, Huadu Mansion, Supreme Tower and River Garden in Shanghai.

Interested U.S. architects, interior designers, engineers and building services specialists that wish to team up with Frank C.Y. Feng to pursue China projects should contact:

Mr. Frank C.Y. Feng, Managing Director
Frank C.Y. Feng Architects & Associates (HK) Ltd
12/F Grand Building
15-18 Connaught Road Central
Hong Kong
Tel: (852) 2521-6881 Fax: (852) 2877-5622
E-mail: fcyfhk@resolink.com

For further assistance, please contact:

Elanna Tam, Commercial Specialist
U.S. & Foreign Commercial Service
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Tel: (852) 2521-5950 Fax: (852) 2845-9800

E-mail: Elanna.Tam@mail.doc.gov

Worldwide Business Trade Shows, Conferences, and Trade Missions

2000

February 20-22

"Look North" Canadian Food & Beverage Show. Toronto, Canada. Draws over 12,000 visitors from both the food service and retail sectors. USDA will have a U.S. Pavilion in the show. Contact Marily Bailey, Agricultural Marketing Specialist at the U.S. Embassy in Ottawa, Tel: (613) 688-5267; Fax: (613) 688-3124; e-mail: BaileyM@fax.usda.gov

February 22-24

VACACIONES USA 2000. Bogota, Colombia. Annual tourism trade show organized by Visit USA Colombia to promote and encourage travel to the U.S. It will be held in a separate pavilion with the Colombian Association of Travel Agencies (ANATO) major annual trade event. ANATO brings together over 22 countries, 950 exhibitors and 4,000 buyers. Contact Carmen Helena Padilla, at Visit USA Committee Colombia, Tel: (571) 601-0508; Fax: (571) 601-0308; e-mail: visit@impsat.net.co

July 7-9

Healthcare 2000. Hong Kong. Opportunity for U.S. firms to showcase their products and services to Hong Kong and Greater China's healthcare and related industries. Exhibition includes: home healthcare products; disabled aids; rehabilitation equipment; wound care products; long term care facilities equipment; health food products; vitamins and nutritional products; natural food & related supplies for health and fitness; health club industry products; and home fitness equipment. Contact Yonllia Lam, Worldwide Conventions & Expositions Ltd. In Hong Kong, Tel: 852-275-2868; Fax: 852-2318-1641; e-mail: info@ww-expo.com

Report Request Form

Company: _____ Contact person: _____

Address: _____

Telephone number: _____ Facsimile number: _____

Report(s) requested:

___ **Korea - Architecture/Engineering Services**

___ Indonesia Export Guide

___ Finland - Tourism Infrastructure Overview

___ Japanese Market Reports - Jewelry

Other: _____

___ **Japan - Dietary Supplements**

___ China Export Guide

___ Japanese Market Reports - Mail Order

___ Canada - Men's/Boy's Apparel

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